GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4790
ANSWERED ON:24.08.2001
FINANCIAL IRREGULARITIES IN IMPORT OF AIRCRAFT
GAJENDRA SINGH RAJUKHEDI

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government have received anycomplaints against M.P. Flying Club, Indore inconnection with the financial irregularities in the import of 3 aircraft and 2 engines;

(b) if so, the details thereof;

(c) whether the aircrafts and engines have been bought for Rs. 42,15,077.00 against Rs. 78,40,018.00 and balance of Rs. 36,25,004.00 has been shown as excess charges towards the cost for aircrafts as an advance in the balance-sheet of year 1999-2000;

(d) if so, whether this practice is against the rules and regulations of FERA and Income Tax Act; and

(e) the action taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (GINGEE N. RAMACHANDRAN)

(a): Yes, Sir.

(b): The allegation included suspected over-invoicing in the purchase of three aircrafts imported during 1997.

(c) &(d) The auditors had taken the value of the imported aircrafts at Rs. 41,19,647/- provisionally, on the basis of report of the Flying Club Board Members, whereas scrutiny of the file/evidence on record suggests that the aircrafts were imported at CIF value of US$.1,84,569/-, which corresponds approximately to Rs. 73,45,000/-. The aircrafts were imported at the value at which they were indented. No over-invoicing was noticed.

(e) Since there was no over-invoicing, no action was taken.